

# African airlines post a 3.0% contraction in air cargo business for July

The International Air Transport Association's (IATA) has released its latest analysis of supply, demand and performance of the global and regional air cargo markets, based on data collected during July 2020. July July shows that air cargo demand is stable but at lower levels than 2019.



Image source: [Gallo/Getty](#)

While there is some month-to-month improvement, it is at a slower pace than some of the traditional leading indicators would suggest; this is due to the capacity constraint from the loss of available belly cargo space as passenger aircraft remain parked.

- **Global demand**, measured in cargo tonne-kilometers (CTKs\*), fell by 13.5% in July (-15.5% for international operations) compared to the previous year. That is a modest improvement from the 16.6% year-on-year drop recorded in June. Seasonally-adjusted demand grew by 2.6% month-on-month in July.

- **Global capacity**, measured in available cargo tonne-kilometers (ACTKs), shrank by 31.2% in July ( 32.9% for international operations) compared to the previous year. This is a small improvement from the 33.4% year-on-year drop in June.

- **Belly capacity for international air cargo** shrank by 70.5% in July compared to the previous year owing to the withdrawal of passenger services amid the Covid-19 pandemic. This was partially offset by a 28.8% increase in capacity through expanded use of freighter aircraft.

- **Economic activity** continued to recover in July reflected in the performance of the Purchasing Managers' Index (PMI), an indicator of economic health in the manufacturing sector which comprises the new export orders component of the manufacturing PMI, which rose by 3.5 points compared to June, and up by 19.8 points since April. The PMI tracking global manufacturing output returned to above 50, consistent with month-on-month growth in output

"Economic indicators are improving, but we have not yet seen that fully reflected in growing air cargo shipments. That said, air cargo is much stronger than the passenger side of the business. And one of our biggest challenges remains accommodating demand with severely reduced capacity. If borders remain closed, travel curtailed and passenger fleets grounded, the ability of air cargo to keep the global economy moving will be challenged," said Alexandre de Juniac, IATA's director general and CEO.

## July regional performance

**Asia-Pacific airlines** saw demand for international air cargo fall by 15.3% in July 2020 compared to the same period a year earlier. After a robust initial recovery in May, month-on-month growth seasonally-adjusted demand has softened. International capacity decreased 32.0%.

**North American carriers** reported a single digit fall in international cargo demand of 5.4% year-on-year in July. The stronger performance is due in part to strong demand on the transpacific, Asia-North America route, reflecting e-commerce demand for products manufactured in Asia. International capacity decreased 30.9%.

**European carriers** reported a 22.4% annual drop in international cargo volumes in July. This was a slight improvement from June's performance of -27.6%. Demand on most key trade lanes to / from the region remained weak. The large Europe-Asia market was down 20% year-on-year in July. International capacity decreased 37.4%.

**Middle Eastern carriers** reported a decline of 14.9% in year-on-year international cargo volumes in July, an improvement from the 19% fall in June. Seasonally-adjusted demand grew 7.2% month-on-month in July—the strongest of all regions. This recovery was driven by the aggressive operational strategies of some of the region's carriers. International capacity decreased 27.1%, the most resilient of all regions.

**Latin American carriers** posted a 32.1% drop in year-on-year international demand in July, down from a 28.6% decline in June. International capacity decreased 44.5%. The drop in both demand and capacity was the most severe of all regions.

The Covid-19 crisis is particularly challenging at present for airlines based in Latin America owing to strict lock-down measures. In July the Latin American air cargo market was smaller than the African market for the first time since these statistics have been reported in 1990.

**African airlines** posted a contraction of 3.0% in July. This was down from a 3.8% increase in demand in June. The small Africa-Asia market continued to support the region's performance. International capacity decreased 33.7%.